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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
OCTOBER 1970

Volume 15

Number 3

Released Pursuant to §1090.27 (j) and §1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - OCTOBER 1970

The Federal Order MINIMUM uniform price to be paid producers for milk delivered to pool plants is \$6.39. This hundredweight price is for milk testing 3.5% butterfat and is subject to a producer butterfat differential of 8.4 cents for each one-tenth of one percent above or below 3.5% test.

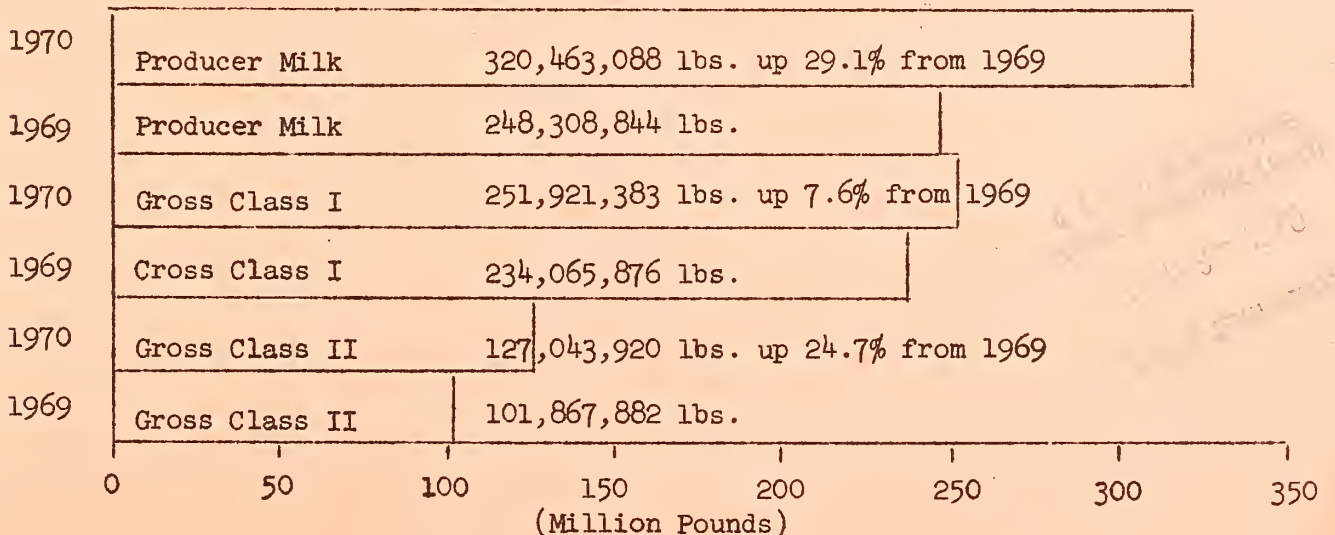
In October 1970, 79.8% of producer milk received by pool plants was priced in Class I at \$6.81 per cwt. and 20.2% was priced in Class II at \$4.77 per cwt. The October butterfat differential for Class I was 8.5 cents and Class II was 8.1 cents.

Total producer milk received at pool plants during October 1970 was 34,002,669 pounds which is an increase of 1,956,641 pounds or 6.1% compared with October 1969. The October daily average deliveries from 748 producers was 1,466 pounds. This compares to 756 farms delivering a daily average of 1,367 pounds per day during October 1969.

PRODUCER MILK BASE NOTICE

Each producer for the Chattanooga marketing area began September 1, 1970, to establish a new milk base to be used in making payment to such producer during the months of March through July 1971. The 1971 daily average base will be computed by dividing a producer's total Grade A milk deliveries to a handler(s) during September 1, 1970 through January 31, 1971 by the number of days from the first day of delivery during such months to the last day of January, inclusive, but by not less than 120 days. Producers will be paid a uniform price for their total milk deliveries during August 1970 through February 1971. A producer base is assigned to the name (payroll account) as reported by the handler receiving the milk. Producers, particularly partnerships, are urged to see that their name(s) are correctly listed with the receiving plant and the Market Administrator.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION
January thru October



COMPARISON OF MILK RECEIPTS AND UTILIZATION

Page 2

	<u>% Oct. '70</u>			
	<u>Over</u>	<u>Oct.</u>	<u>Sept.</u>	<u>Oct.</u>
	<u>Oct. '69</u>	<u>1970</u>	<u>1970</u>	<u>1969</u>
Number of Plants - Pool		6	6	7
- Non-Pool		14	14	12
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 6.1	1,096,860	1,091,281	1,033,743
Other Source	+ 0.2	31,724	32,158	31,661
Other Federal Orders	-23.3	68,289	60,595	88,983
TOTAL MILK RECEIPTS	+ 3.7	1,196,873	1,184,034	1,154,387
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 6.2	470,008	454,736	442,569
Skim - Regular	+10.9	22,720	22,493	20,494
Skim - 2% Milk	+14.7	102,923	98,634	89,739
Buttermilk	+14.5	55,107	53,462	48,143
Flavored Milk and Drink	- 3.7	18,513	19,592	19,225
Creams (Sweet and Sour)	+11.8	3,279	3,259	2,932
Sub-Total-Pkg. Products (Pool Plants)	+ 7.9	672,550	652,176	623,102
Other (Shrinkage, Inventory, etc.)		10,084	6,493	6,928
Sales to Non-Pool Plants		210,633	238,344	195,677
In-Area Sales by Non-Pool Plants	+24.0	54,801	55,978	44,182
TOTAL CLASS I MILK	+ 9.0	948,068	952,991	869,889
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+21.1	47,591	57,563	39,312
Cottage Cheese	+25.5	44,085	44,102	35,125
Powdered and Condensed Milk		7,624	-0-	-0-
Livestock Feed and Milk Dumped		6,810	6,464	5,014
Sub-Total - Used to Produce	+33.6	106,110	108,129	79,451
Shrinkage Class II		18,265	17,285	15,053
Other (Inventory Variation, etc.)		(19,489)	12,081	(3,818)
Bulk Sales to Non-Pool Plants		143,919	93,548	193,812
TOTAL CLASS II MILK	-12.5	248,805	231,043	284,498
Class I Pkg. Lbs. In Area - Pool Plants	+ 2.6	500,565	484,135	488,100
Class I Pkg. Lbs. Out of Area-Pool Plants	+27.4	171,985	168,041	135,002
Class I Pkg. Lbs. In Area - Non Pool Plants	+24.0	54,801	55,978	44,182
% Producer Milk of Gross Class I		115.7	114.5	118.8
% Producer Milk Priced in Class I		79.8	80.8	77.0

CLASS I DISPOSITION ON ROUTES IN THE MARKETING AREA
BY OTHER ORDER PLANTS AND PARTIALLY REGULATED DISTRIBUTING PLANTS

	<u>Oct. 1970</u>	<u>Sep. 1970</u>	<u>Oct. 1969</u>
Homo Milk	1,325,186	1,334,636	1,075,334
Skim-Regular	10,133	9,365	17,372
Skim-2% Milk	199,711	167,882	86,426
Buttermilk	113,533	114,625	136,263
Flavored Milk and Drink	49,263	51,683	52,928
Creams (Sweet and Sour)	1,020	1,137	1,322
Total Pounds	1,698,846	1,679,328	1,369,645
Daily Average Disposition	54,801	55,978	44,182
No. of partially regulated plants	1	1	1
No. of other order plants	13	13	11
Total Non-Pool Plants	14	14	12

COMPUTATION OF PRODUCER UNIFORM PRICE

Page 3

OCTOBER 1970	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		29,390,112	3.332		
Less Other Source		2,247,363	2.849		
Producer Milk Class I	79.8	27,142,749	3.372179	\$6.701352	\$1,818,931.15
Gross Class II		7,712,945	5.449		
Less Other Source		853,025	1.489		
Producer Milk Class II	20.2	6,859,920	5.941206	6.747377	462,864.66
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	34,002,669	3.890471		\$2,281,795.81
Less Fractional Adjustment					.09
Add Value of Other Source Receipts					
Allocated to Class I & Location Adj.		3,056	6.806283	9.620341	294.00
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					16,804.18
TOTAL VALUE AT TEST		34,005,725	3.890733	\$6 760314	\$2,298,893.90
Less Test over 3.5% @8.4¢ per point		34,005,725	.390733	0.328216	111,612.23
TOTAL UTILIZATION VALUE AT 3.5%		34,005,725	3.5	\$6.432098	\$2,187,281.67
Less Producer-Settlement Fund Reserve		34,005,725		.042098	14,315.73
PRODUCER UNIFORM PRICE - 3.5% TEST		34,005,725	3.5	\$6.39	\$2,172,965.94

OCTOBER 1970 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS

BUTTERFAT DIFFERENTIAL 8.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.97	3.6	\$6.474	4.2	\$6.978	4.8	\$7.482	5.4	\$7.986
3.05	6.012	3.65	6.516	4.25	7.02	4.85	7.524	5.45	8.028
3.1	6.054	3.7	6.558	4.3	7.062	4.9	7.566	5.5	8.07
3.15	6.096	3.75	6.60	4.35	7.104	4.95	7.608	5.55	8.112
3.2	6.138	3.8	6.642	4.4	7.146	5.0	7.65	5.6	8.154
3.25	6.18	3.85	6.684	4.45	7.188	5.05	7.692	5.65	8.196
3.3	6.222	3.9	6.726	4.5	7.23	5.1	7.734	5.7	8.238
3.35	6.264	3.95	6.768	4.55	7.272	5.15	7.776	5.75	8.28
3.4	6.306	4.0	6.81	4.6	7.314	5.2	7.818	5.8	8.322
3.45	6.348	4.05	6.852	4.65	7.356	5.25	7.86	5.85	8.364
3.5	6.39	4.1	6.894	4.7	7.398	5.3	7.902	5.9	8.406
3.55	6.432	4.15	6.936	4.75	7.44	5.35	7.944	5.95	8.448

OCTOBER 1970 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$1090.73	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	69.2	915,302	\$0.85	\$ 778,006.70
Class II	30.8	407,562	0.81	330,125.22
Total	100.0	1,322,864		\$1,108,131.92

Total Butterfat Value ÷ Total Producer fat pounds = \$0.837676

Producer Butterfat Differential per point variation above or below 3.5% --- \$0.084

Reports from the following pool plants were included in the determination of the Order uniform producer price for October 1970:

Happy Valley Farms, Inc. ---- Rossville, Ga.
 Mayfield Dairy Farms, Inc. -- Athens, Tenn.
 Ray Moss Farms, Inc. --- Chattanooga, Tenn.

Nance Dairy, Inc. ---- Ringgold, Ga.
 Sealtest Foods ----- Chattanooga, Tenn.
 Dairymen, Inc. ----- Chattanooga, Tenn.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES <u>1/</u>				HANDLER CLASS PRICES <u>1/</u>			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif	Cwt	Bf. Dif.	Cwt.	Bf. Dif.
Oct. '69	\$6.18	-	-	8.2¢	\$6.70	8.4¢	\$4.58	7.8¢
Nov.	6.01	-	-	8.0	6.47	8.2	4.62	7.8
Dec.	6.17	-	-	8.0	6.77	8.1	4.63	7.9
Jan. '70	6.29	-	-	8.0	6.78	8.2	4.67	7.8
Feb.	6.26	-	-	8.0	6.82	8.1	4.63	7.8
Mar.	6.15 <u>2/</u>	\$6.30	\$4.58	8.0	6.78	8.1	4.58	7.8
Apr.	6.09 <u>2/</u>	6.29	4.60	8.2	6.73	8.2	4.60	8.0
May	5.99 <u>2/</u>	6.16	4.58	8.2	6.75	8.4	4.58	8.0
June	6.06 <u>2/</u>	6.20	4.61	8.2	6.73	8.4	4.61	8.0
July	6.14 <u>2/</u>	6.31	4.60	8.2	6.76	8.4	4.60	8.0
Aug.	6.01	-	-	8.2	6.75	8.4	4.61	8.0
Sept.	6.32	-	-	8.4	6.76	8.4	4.66	8.1
Oct.	6.39	-	-	8.4	6.81	8.5	4.77	8.1
Nov.	-	-	-	-	6.92	8.4	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi-92° Butter	Chi.Area Powder	Minn/Wisc. Mfg. Milk	Basic Formula	Class I		Class II	
	¢ Lb.	¢ Lb.	\$-Cwt-3.5%	Minimum	Pounds	Test-%	Pounds	Test-%
Oct. '69	68.23	22.93	\$4.58	\$4.33	796,489	3.41	237,254	5.66
Nov.	67.84	23.14	4.62	4.33	773,131	3.49	242,417	5.78
Dec.	68.45	22.96	4.63	4.33	736,616	3.46	284,057	5.76
Jan. '70	67.61	23.00	4.67	4.33	779,375	3.41	231,117	6.54
Feb.	67.60	23.15	4.63	4.33	774,028	3.42	259,675	5.73
Mar.	67.95	23.18	4.58	4.33	761,892	3.35	298,922	5.25
Apr.	69.83	25.96	4.60	4.33	784,446	3.34	332,976	4.84
May	69.85	26.84	4.58	4.33	708,369	3.29	365,773	4.53
June	69.81	26.77	4.61	4.33	690,927	3.26	324,444	4.67
July	69.80	27.02	4.60	4.33	715,318	3.27	284,243	4.65
Aug.	69.80	26.85	4.61	4.33	694,169	3.27	347,743	4.45
Sept.	79.52	26.86	4.66	4.33	881,429	3.25	209,852	5.48
Oct.	70.12	26.85	4.77	4.33	875,572	3.37	221,288	5.94

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK <u>3/</u>			PRODUCER DATA				DELIVERIES PER		
	No.	Total	Class I	No.	Total	Base	Average	Farm --- Pounds		
	Hdlers.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Oct. '69	19	1,154,387	869,889	756	1,033,743	-	3.93	1,367	-	-
Nov.	19	1,204,899	841,680	755	1,015,548	-	4.04	1,345	-	-
Dec.	20	1,310,785	792,076	773	1,020,673	-	4.10	1,320	-	-
Jan. '70	20	1,241,790	834,648	752	1,010,492	-	4.12	1,344	-	-
Feb.	21	1,359,501	835,831	748	1,033,703	-	4.00	1,382	-	-
Mar.	21	1,397,629	824,119	745	1,060,814	971,078	3.89	1,424	1,303	121
Apr.	21	1,407,342	843,811	743	1,117,422	988,522	3.79	1,504	1,330	174
May	21	1,258,907	768,561	741	1,074,142	965,184	3.71	1,450	1,303	147
June	21	1,153,003	752,470	739	1,015,371	924,399	3.71	1,374	1,251	123
July	21	1,124,146	775,421	744	999,561	903,625	3.66	1,343	1,215	128
Aug.	21	1,153,814	753,698	742	1,041,912	-	3.66	1,404	-	-
Sept.	20	1,184,034	952,991	742	1,091,281	-	3.68	1,471	-	-
Oct.	20	1,196,873	948,068	748	1,096,860	-	3.89	1,466	-	-

1/ Excludes Premiums2/ Weighted average Price3/ Other Source is Gross minus Producer

Class II is Receipts minus Class I